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RUEHML/AMEMBASSY MANILA 1641
RUEHBK/AMEMBASSY BANGKOK 1720
RUEHLO/AMEMBASSY LONDON 0277
RUCNDT/USMISSION USUN NEW YORK 0568
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
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UNCLAS SECTION 01 OF 03 ULAANBAATAR 000089

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SEOUL PASS TO EAP A/S HILL
STATE FOR EAP/CM, NEA/NGA, PRM, and DRL
STATE PASS USTR FOR WINELAND

E.O. 12958: N/A

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SUBJECT: FOREIGN MINISTER DISCUSSES 6 PARTY TALKS, IRAQ, KOSOVO,
MORE

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¶1. (SBU) SUMMARY: FM Oyun told the Ambassador over dinner February 22 that Russia and the other six party talks (6PT) members had responded favorably to Mongolia's proposal to host the next 6PT Peace and Security Working Group (PSWG) meeting. Regarding the recent announcement that the Government of Mongolia (GOM) and the DPRK had agreed that Mongolia might receive as many as 5,000 DPRK laborers, Oyun said complicated domestic political and legislation requirements had yet to be resolved, likely delaying arrivals for some time. The Ambassador sensitized Oyun to the agreement's risks should some of these laborers seek asylum, noting USG opposition to refoulement. Regarding Kosovo, Oyun said the GOM respects the rights of both Serbia and Kosovo and believes the UN should play its rightful role, so for the time-being, the GOM was in the "wait" mode. The Ambassador briefed the FM on USG thinking regarding troop participation arrangements in Iraq post-UNSCR. FM Oyun said she hopes the USG will soon give agreement to Ambassador nominee (MFA State Secretary) Bekhbat and that he might take up his duties in March or April. Oyun responded favorably to the prospect of transparency agreement negotiations stemming from the recent Trade and Investment Framework Agreement (TIFA) discussions; the GOM was very pleased with the results of the TIFA and the Consultations on Bilateral, Regional, and Global Issues (CBRGI) policy talks. Oyun said she had hoped to meet with Secretary Rice on the margins of the February 25 inauguration in Seoul but understood the Secretary's participation and schedule might not allow this; the FM is considering visiting the U.S. later this spring. END SUMMARY.

¶2. (SBU) The Ambassador hosted for Foreign Minister Oyun on February 22. MFA Acting Director General for the Americas, Middle East and Africa Mounkhou and the DCM also attended the very cordial two hour discussion.

SPRING VISIT TO U.S. BEING PLANNED

¶3. (SBU) FM Oyun, who will accompany President Enkhbayar to the February 25 inauguration ceremonies in Seoul said she had very much hoped she and Secretary Rice might meet, but she understood the

Secretary's schedule and participation in those events might not

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allow this. Oyun said she would be pleased to meet with A/S Hill, whom she had met last June during Hill's visit to Mongolia, and the FM hoped she and the Secretary could connect during a planned trip to the U.S. later this spring, though dates had not yet been set for this visit.

RUSSIA OKS MONGOLIA'S HOSTING OF 6PT PSWG MEETING

14. (SBU) FM Oyun noted Mongolia's earlier offer to host the 6PT PSWG meeting had been favorably received by all 6PT members and the Russians, who chair the PSWG, said they will consult once dates for the meeting had jelled. She expressed appreciation for the USG's support in this regard. (NOTE: Speaking just prior to FM Oyun's arrival for the dinner, A/DG Mounkhou said A/S Hill's expression of support for Mongolia's offer was particularly appreciated by the GOM, coming during the February 5 visit by MFA State Secretary Bekhbat for the Consultations on Bilateral, Regional, and Global Issues (CBRGI) policy talks. Hill's review of the status of 6PT and DPRK compliance performance was also very helpful to the GOM, according to Mounkhou.)

DPRK LABOR AGREEMENT NOT A DONE DEAL

15. (SBU) On other DPRK-related subjects, FM Oyun said the recent visit of Construction Minister (and former MFA Vice Minister) Tsolmon had resulted in an agreement by which Mongolia might receive

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as many as 5,000 DPRK laborers. The agreement followed-up on last summer's visit by the DPRK Premier and reflected the GOM's desire to develop alternative sources beyond Chinese labor. However, the

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agreement requires legislation to allow the Tugruk 180,000 (about US\$165)per month foreign labor tax to be waived. Mongolia's parliament had not taken up the issue during the fall session and Oyun was doubtful it would be considered during the spring session, which begins April 5, given impending June parliamentary elections. Some MPs had expressed concern that if an exception is made for DPRK labor, other nations, including China, might seek similar exemptions -- a deal breaker in Oyun's view. The issue was a bit of a leper as well, she noted, as Labor Minister Demberel demurred on the Prime Minister's request, asking that the FM introduce it to the Cabinet and Parliament. Oyun said she understood that at the moment there were fewer than 150 DPRK laborers in Mongolia.

DPRK LABOR AGREEMENT-REFUGEE CONNUNDRUM

16. (SBU) The Ambassador took the opportunity to flag for FM Oyun the sensitivities surrounding the possibility that some of the GOM/DPRKG agreement's laborers might seek asylum, putting the GOM in an awkward position, as the DPRK would almost certainly seek their return. The USG, the Ambassador said, had repeatedly expressed its appreciation for Mongolia's "humanitarian" treatment of refugees and especially its policy of allowing them to be resettled in South Korea, the U.S., or elsewhere rather than refolement to almost certain punishment or death in the DPRK.

MONGOLIA IN "WAIT" MODE ON KOSOVO

17. (SBU) FM Oyun acknowledged the GOM had not yet given the U.S. a full answer regarding recognizing Kosovo. She said the GOM respects the right of both Serbia and Kosovo and believes the UN should play its rightful role. So for the time-being, the GOM's approach was to wait; it had not made a firm decision either way but could not be among the early group to recognize Kosovo. She volunteered that neither Russia nor China had approached the GOM to influence its decision, despite their own well-known views on this topic. Oyun asked several questions regarding Kosovo's status - had it been a

federal state, were the parallels with other regions, etc., which the Ambassador answered, drawing upon his earlier experience on Kosovo while serving with USUN.

MONGOLIA'S PARTICIPATION IN POST-UNSCR USG/GOI SOFA

¶18. (SBU) Turning to Iraq, the Ambassador thanked FM Oyun for Mongolia's continued coalition membership and support in Iraq. He reviewed recent positive trends in security and underlined the need for continued support. He explored the USG's thinking regarding the evolution of security arrangements for forces in the absence of a UN Security Council resolution, including plans for a "status of forces" (SOFA)-like agreement with the Government of Iraq, adding this issue had earlier only been raised with Presidential Foreign Policy Advisor Tsogtbaatar. In the months ahead, the U.S. would brief the GOM on this USG/GOI agreement and options for GOM participation under it. FM Oyun sought additional information on SOFAs the USG has with other countries and the GOM will wait for greater clarity in the USG/GOI agreement.

FM HOPES NEW AMBASSADOR TO U.S. BEKHBAT
WILL ARRIVE IN THE U.S. BY MARCH OR APRIL

¶19. (SBU) State Secretary Bekhbat had been nominated to be Mongolia's Ambassador to the U.S., FM Oyun said, the GOM was seeking agreement from the U.S., which she hoped would soon be forthcoming. She inquired about the process and timing for the presentation of his credentials. Oyun acknowledged there had been some discussion of delaying Bekhbat's departure for the U.S. until after the June parliamentary elections, but she hoped he would arrive in the U.S. in March or April and might soon thereafter present his credentials, perhaps then returning briefly to hand over his State Secretary

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duties.

LAND CONFUSION EMBARRASSMENT AVERTED; MAY BE RESOLVED

¶10. (SBU) The Ambassador reviewed a recent land dispute in which the two sides narrowly averted an embarrassing confrontation which would have seen President Enkhbayar breaking ground on the Embassy's leased land on February 21 for a new Kuwaiti-funded state library. Intense Embassy lobbying was required to stop it (septel). Oyun said she and other senior MFA officials had been seized by the problem, and the President himself decided to cancel the event, ordering another suitable site be found for the library. The problem stemmed from a disconnect between the Mayor's office, the Ulaanbaatar land office, and MFA, she said, adding that it appears the Embassy's leases were never recorded with the land office, but a resolution of the problem was in the offing. (Note: MFA Treaties and Laws DG Altangerel has invited the DCM in February 25 to discuss the issue, which includes a long-standing proposal for the consolidation of the Embassy's leases.)

USTR TRANSPARENCY AGREEMENT PROPOSAL REVIEWED

¶11. (SBU) The DCM summarized the results of the February 4 USTR-led Trade and Investment Framework Agreement discussions in Washington. He reviewed the exchanges regarding USTR's transparency agreement proposal and described the next steps and timeline envisioned for negotiations to begin. Oyun said she had heard of the proposal and sees the merits of it; she agreed to support this process when the issue is put before the cabinet.

GOM VERY PLEASED WITH CBRGI, TIFA RESULTS

¶12. (SBU) While waiting for FM Oyun to arrive for dinner, A/DG Mounkhou said the GOM was very pleased with the results of both the CBRGI and the TIFA. In both cases, the GOM was pleased with the substance of the discussions and actionable outcomes. In particular, the GOM was impressed by the breadth of issues covered,

signifying an expansion of areas of interest and cooperation, as well as the number of USG agencies now engaged or seeking engagement with Mongolia.

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